

NOTICE  
NO. 18-62

31 October 1962

SUBJECT: Federal Salary Reform Act of 1962

1. The "carrot" and the "stick" approaches to personnel management have long been recognized as opposite but effective tools of management. Some employees work more effectively if praised and rewarded by their supervisors -- the "carrot" approach; others need to be prodded by the goad, the threat or the "stick". The Federal Salary Reform Act of 1962 offers the OTR supervisor the opportunity in one package to utilize both these tools of management or whichever of the two is appropriate.

2. The "carrot" aspect of the Act enables management to recognize the especially worthy employee by Merit in-grade promotions, not to exceed more than one each year. This is the opportunity we've long waited for in OTR to give recognition to the employee who clearly deserves a full grade promotion but whom, because of the extremely limited number of promotion vacancies, particularly in the higher grades, we are unable to promote. The Merit in-grade promotion is not to be used indiscriminately. It is not for "good old devoted Joe", or pretty, young and attractive Mary. Nor should it be given for long years of slightly better than average service. It is for the outstanding employee, whose Efficiency Reports so reflect, but who cannot otherwise be rewarded.

3. The "stick" aspect of the Act wipes off the books the old, practically automatic, in-grade step increases for all employees whose performance is "satisfactory" and replaces this with in-grade increases for those employees whose performance demonstrates an "acceptable level of competence." Fortunately, there are very few employees in OTR whose performance is marginally satisfactory. Or let us say there are few supervisors in OTR who have wanted in the past to go through the labyrinthine bureaucratic procedures of proving an employee's performance to be unsatisfactory. But there is a vast difference between a performance which is merely satisfactory and performance which demonstrates an acceptable level of competence. Here then is both an opportunity to reward the competent and to apply the goad to the employee who is "coasting", who takes an unusual amount of sick leave on Fridays and Mondays, who customarily gives a higher priority to the meeting of car pool deadlines than he does to the meeting of office deadlines, or who is simply not performing well at his grade level.

4. The OTR Career Board heartily endorses these two aspects of the Federal Salary Reform Act and expects that OTR supervisors will make full use of them.



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MATTHEW BAIRD  
Chairman, OTR Career Board

Distribution:  
All OTR Supervisors